

April 13, 1999

Mr. Robert Wolsey
President, Chief Executive Officer
Pinnacle Holdings Inc.
1549 Ringling Blvd.
Sarasota, FL. 34236

Ref: Certain assets purchased by Pinnacle Holdings Inc. from Shore, West Shore Communications, and 28 Walker Associates and their principal's, Mark Sapperstein and Gilbert Sapperstein (sophisticated fraudsters) were obtained by the Sapperstein's through fraudulent schemes, organized crime and racketeering.

Dear Mr. Wolsey;

This letter is to bring to your attention that certain assets that you and your corporation, Pinnacle Towers Inc. purchased from West Shore, Shore Communications and 28 Walker Associates and/or the principals of these companies and/or corporations, Mark C. Sapperstein and a Gilbert Sapperstein were obtained through racketeering activities. Mark and Gilbert Sapperstein and their associates Charles R. Longo and a Bruff J. Procter run a multitude of racketeering activities in Maryland and throughout the U.S. Mark and Gilbert Sapperstein specialize in the following activities:

Bribery
Extortion
Money Laundering
Securities fraud
Bankruptcy fraud
Intellectual property fraud

Charles R. Longo

1. Longo has 2000 documented victims in the State of Maryland and Virginia involving \$8 million in U.S. Dept. of Education money.

2. Between 1992 and 1994 Longo, Procter and others sold an estimated \$1.35 million in fraudulent student loans throughout the U.S.

Longo specializes in:

Extortion
Money laundering
Securities fraud
Bankruptcy fraud
Embezzlement
Intellectual property fraud

Bruff Procter (Procter is the bagman for the Sapperstein's/Longo)

Extortion
Securities fraud
Money laundering
Bankruptcy fraud
Embezzlement
Intellectual property fraud

Your primary concern in this matter is that in the Pinnacle Towers Inc. (A Florida Corporation) prospectus pages F-36 thru F-34 is a description of certain assets that were purchased by Pinnacle from West Shore Communications, Shore Communications and 28 Walker Associates, Maryland Corporations or companies owned or controlled by Mark and Gilbert Sapperstein. Certain of these assets were purchased by Pinnacle from these corporations or companies controlled by Mark and Gilbert Sapperstein on Dec.3,1997 for approximately \$8,973,300.

Your problem Mr. Wolsey is the following:

If in fact Mark and Gilbert Sapperstein are legitimate businessmen, why, approximately four months later on March 31,1998 would Mark and Gilbert make false statements on affidavits filed with the Federal Court in West Palm Beach FL., claiming that they had never engaged in substantial and not isolated activity in the state of Florida.

(EXHIBIT A and B)

Additionally, certain of these assets that were purchased from Shore Communications, West Shore and 28 Walker Associates appear to be part of the \$325 million IPO stock offering which your corporation, the stockbrokers and underwriters are touting as legitimate assets, which obviously they are not as certain of these assets were obtained by Mark and/or Gilbert Sapperstein, bribing officials, purchased with money obtained from unlawful activity, sweetheart deals, bankruptcy fraud and/or a variety of other criminal activities.

So, everytime you, your brokers and underwriters sell stock in Pinnacle Holdings Inc. you are defrauding your investors throughout the U.S. and Canada.

Apparently, someone has been negligent for failing to do their due diligence in investigating the background of Mark and Gilbert Sapperstein and their partners in crime, Charles R. Longo and Bruff J. Procter.

In late 1996 with a Freedom of Information Act Request, to the U.S. Dept. of Justice, Bankruptcy Trustee Program, I accidentally obtained a copy of notes from a meeting dated September 26, 1994. The following individuals were present and it details a laundry list of federal felony offenses involving Charles R. Longo and complaints I had made to the MD. AG. Office during the time Mark/Gilbert Sapperstein, Longo Procter and others controlled DSII. **(EXHIBIT C)**

Dale Kelberman - Chief White Collar Crimes MD., U.S. Atty. Ofc. MD.

William F. Howard - MD. Assistant Atty.

Lori Simpson - U.S. Bankruptcy Trustee Program, US DOJ

Mike Beck - MD. Higher Education Commission

I'll give you a very brief overview of who I am how I became involved in investigating Mark and Gilbert Sapperstein and their associates Charles R. Longo and Buff J. Procter. What I'm going to describe here is the tip of the iceberg of a five year privately financed investigation into my former business associates in the State of Maryland and certain of their activities targeting Florida residents and corporations as victims of their racketeering activities.

I'm an inventor, U.S. Patent 5,314,940 and pending patents, 08/021,131 filed Feb. 23,1993 and 08/145,189 filed Nov. 3,1993. In late 1991 I formed a Maryland Corporation Donald Stone Industries Inc.(DSII) to commercialize a technology that I had invented. Unknown to me at the time Charles R. Longo, Bruff J. Procter and the attorney Gregory Burgee of the prestigious MD. law firm Miles & Stockbridge were running a money laundering operation involving federal bankruptcy fraud and fraudulently concealing the assets of Longo's bankruptcy and Longo's corporation bankruptcy, National Training Systems by investing these concealed assets into legitimate businesses such as DSII and real estate in Procter's name. Miles & Stockbridge and Burgee did the legal work for DSII which was formed on Dec. 6,1991. I was president of DSII and issued a DSII stock certificate for controlling interest of this corporation, Procter was sec/treas.

In early 1992 Procter, Longo, and Burgee fraudulently induced me to believe that Longo was an "accredited investor" and that a \$15,000.00 check Longo gave to Procter was an investment in DSII.

Procter would introduce me to Mark Sapperstein in late 1992 inducing me to believe Mark was a legitimate businessman. In late 1992 and early 1993 Mark would invest a total of \$45,000.00 into

DSII, unknown to me, Procter was a bagman for both Longo and Mark and Gilbert Sapperstein. In early 1993 I was preparing the K-1 tax returns for DSII and was informed by Procter that Mark Sapperstein was making the investments into DSII on behalf of his father, Gilbert. The DSII K-1 tax return was made out to Gilbert Sapperstein.

As a result of an ambitious licensing program, (on a shoe string budget) on behalf of DSII, between March 1993 and Oct. 1993, I had interested numerous major U.S. corporations in conducting research and development to determine if they could adapt the technology I had invented into commercial application concerning their product line. If they were successful, they could buy a license from DSII for the technology.

Two potentially valuable licensing agreements were in the works, one with Golf Pride, the largest manufacturer of golf grips in the world and another with a mid-west synthetic rubber supplier that was associated with Shell Chemical.

On Oct. 15, 1993 Mark and Gilbert Sapperstein, Longo, Procter, three other investors, Robert E. Warfield, Hal P. Glick, and a Bruce Moore and their attorneys unlawfully seized control of DSII and threatened to have me arrested on unspecified criminal charges if I didn't capitulate to their extortion attempts. I was at a business convention in San Francisco at the time introducing the technology to several other major U.S. corporations. (EXHIBIT D)

At this time Mark, Gilbert Sapperstein, Longo, Procter, Warfield, Glick and Moore and their attorneys, "COOKED THE CORPORATE RECORDS OF DSII" to fraudulently conceal the fact that I owned controlling interest in DSII and had been issued the DSII A-1 stock certificate on DSII on Dec. 7, 1991 in the offices of Miles

& Stockbridge and Burgee.

Then Longo, Procter and Mark, Gilbert Sapperstein induced Moore, Warfield, and Glick to invest another \$52,500.00 into DSII after making Longo the President of DSII and moving DSII to the same location and address that Longo and his corporation Shippers Choice Inc. were running a \$1.35 million student loan securities frauds scheme between 1992 and 1994. Shippers Choice Inc. was located at 8346 Washington Blvd. Jessup, MD. (EXHIBIT E)

On Oct. 29 and Nov. 1, 1993 Longo and Procter began to embezzle money from DSII to support their rapidly collapsing student loan securities fraud scheme. On Oct. 29, 1993 Procter made a DSII check for \$10,000.00 to American Credit, a paper company Longo uses for money laundering and a variety of fraudulent scheme. On Nov. 1, 1993 Longo wrote a DSII check and signed it for cash for \$20,000.00 and sent a Gary Boardwine to the bank to cash it and return the \$20,000.00. (EXHIBIT F)

Then on Jan. 12, 1994, Longo as president of DSII demanded I assign my intellectual property to DSII and the exclusive control of Mark, Gilbert Sapperstein, Longo, Procter, Moore, Warfield, and Glick. I refused to capitulate to this extortion attempt and unknown to me at the time, by refusing to assign my patents, Longo was unable to license the technology and raise additional capital so that he could embezzle more money to support his collapsing student loan scheme. (EXHIBIT G)

On Feb. 1994 Mark, Gilbert Sapperstein, Longo, Procter, Moore, Warfield, Glick and their attorneys devised another scheme to extort and fraudulently wrest from me my potentially valuable patent and intellectual property. They filed a sham lawsuit against me in a courthouse where the two sitting judges were the personal

acquaintances and political cronies of Moore, Warfield, Glick and their attorneys. Even though Longo was operating DSII the corporation approximately 125/150 miles away in a different county. Additionally none of Longo's co-conspirators, Mark, Gilbert Sapperstein, Moore, Warfield or Glick would even put their name on the sham lawsuit in an effort to conceal their participation in the scheme to defraud me. It was filed in the name of Longo and DSII as plaintiffs naming Stone as defendant. This sham lawsuit would serve a multitude of fraudulent schemes, it would help to conceal the embezzlement of DSII funds by Longo and Procter from their co-conspirators and if successful Mark, Gilbert Sapperstein, Longo, Procter, Moore, Warfield, Glick and their attorneys would ultimately control Stone's potentially valuable intellectual property with which they could form another corporation and sell more fraudulent securities based on Stone's intellectual property. (In 1998 another corporation unknown to me surfaced called Donald Stone Investments Inc. The individual that was helping Longo and Procter sell the fraudulent student loans mentioned this in an affidavit).

By March 1994 Longo/Shippers Choice Inc. student loan fraud scheme had collapsed completely.

On or about August 1994 Longo and Procter were flown across interstate lines in a plane owned by Chieftan Investors (Mark Sapperstein's corporation) to a meeting with Goodyear Tire & Rubber. Fortunately, I was able warn Goodyear about Longo, Mark and Gilbert Sapperstein and Procter. According to trial testimony by Longo, Goodyear refused negotiate with Mark, Gilbert Sapperstein, Longo and Procter. (EXHIBIT H)

By Dec. 1994 Longo's Shippers Choice Inc. filed for bankruptcy

in an effort to conceal the million dollar student loan scheme Longo never disclosed this on the Shippers Choice Inc. bankruptcy filing documents. Eventually, this student loan fraud scheme was disclosed at the 341 bankruptcy meetings.

Mark, Gilbert Sapperstein, Moore, Warfield, Glick and their attorneys devised another scheme to conceal the embezzlement of DSII monies by Longo and Procter and recover this money. They devised a scheme to defraud the bankruptcy courts of Longo's personal bankruptcy and that of Shippers Choice Inc. and fraudulently diverted certain of these assets that belonged to these two bankruptcies through the DSII checking account until all money that Longo and Procter had embezzled from DSII was repaid.

Mark, Gilbert Sapperstein, Longo, Procter, Moore, Warfield, Glick and their attorneys would fraudulently conceal this embezzlement from the court in the sham lawsuit against me and would ultimately force me to capitulate to their fraudulent schemes.

Mark, Gilbert Sapperstein, Longo, Procter, Moore, Warfield, Glick and their attorneys would gain exclusive control of my intellectual property. On June 16, 1996, Mark, Gilbert Sapperstein, Longo, Procter, Moore, Warfield, Glick and their attorneys would give me a fraudulent DSII stock certificate valued at approximately \$3,650,000.00. Longo and his co-conspirators suborning fraud and perjury in the sham lawsuit against me on June 19, 1995 falsely testified under oath that he had revived the DSII corporate charter between June 12, 1995 and June 19, 1995. The DSII corporate charter was forfeited Oct 3, 1995, (a MD. revived corporate charter is good for approx. 2 years.) Approximately nine months later in June of 1996 I assigned my intellectual property

to DSII a forfeited Maryland corporation and in return Mark, Gilbert Sapperstein, Longo, Procter, Moore, Warfield, and Glick gave to me the fraudulent \$3,650,000.00 fraudulent stock certificate. (EXHIBIT I)

This is a deposition taken of Bruff J. Procter by the MD. Assistant Atty.General, William F. Howard, Oct. 31,1994 with Longo present. Remember this is during the time Mark/Gilbert Sapperstein, Longo, Procter and others or operating DSII out of the Shippers Choice Inc. location using the Shippers Choice telephone number and address on the DSII corporate checks since Oct. 1993. Simply catch Procter lying under oath page 26, lines 7/8. Procter claims he never even knew there was a Shippers Choice. (EXHIBIT J, excerpt)

As I said earlier, this is only the tip of the iceberg and a very brief overveiw of Mark and Gilbert Sapperstein's multitude of fraudulent schemes.

If you want to conduct " due diligence " in this matter to confirm my story here is where you can start:

1. Federal Bankruptcy Courts, Baltimore, MD.

Charles R. Longo (eight years)
National Training Systems
Shippers Choice Inc.
Winmark (Bankrupt corp. Mark Sapperstein and Jay Winer)

2. MD. Dept. of Assessments and Taxation
All corporations owned or controlled by:

Charles R. Longo
Mark Sapperstein
Gilbert Sapperstein
Bruff J. Procter
Procter/Sapperstein jointly

3. MD. Dept. of Assessments and Taxation
All corporations which list the following individuals as resident agents.

Mark Sapperstein

Bruff J. Procter
Gilbert Sapperstein
Gregory M. Burgee/ Miles & Stockbridge
Charles R. Longo

4. Sample list of some known corporations and or companies that are owned and or controlled by certain of these individuals.

Shippers Choice Inc.
Chieftan Investors
Shippers Choice of VA.
Shippers of VA. (MD.)
Fiber Technology
28 Walker Associates
Shore Communications
West Shore Communications
Snow White
Donald Stone Industries Inc.
Donald Stone Investments Inc.
Sapperstein & Procter
Corporate Aero
Bruff Aviation
SW Grill

As I said earlier, Mr. Wolsey you may want to try and find a law firm that can explain to you exactly what "negligence" is, for failing to conduct "Due Diligence" in this matter.

I'm sure you can only imagine how the investors that are being defrauded by purchasing stock in Pinnacles Holding Inc. because of the criminal activities of Mark and Gilbert Sapperstein are going to be delighted to hear that such "Deep Pockets" as Goldman & Sachs, Salomon Smith Barney, PricewaterhouseCoopers, Holland & Knight, and all the underwriters etc. are part of a \$325 million IPO involving certain assets that were obtained from an organized crime syndicate and racketeering

Apparently it's a little organized crime, racketeering game between Mark, Gilbert Sapperstein and Longo, Procter and their other co-conspirators to see who can defraud the most victims for the greatest amount of money. For many years Longo and Procter were in the lead, 2000 documented victims

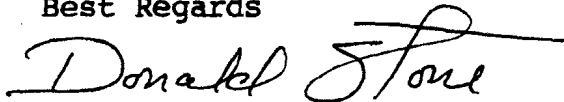
involving \$8 million U.S. Dept. of Education money. It looks like Mark and Gilbert Sapperstein are going to win hands down, \$325 million IPO and thousands of investor/victims.

One final item, why don't you give Mark Sapperstein a surprise call and have him tell you all about DSII and his co-conspirators Longo and Procter and how they defrauded me and "COOKED THE DSII" corporate documents. I'm certain you will probably find Mark's story very interesting unless you already were aware of how Mark and Gilbert obtained certain of those assets, which would be a story in itself, wouldn't it.

The key piece of evidence against Mark and Gilbert Sapperstein concerning certain assets that were sold to Pinnacle Holdings Inc. hasn't been disclosed to you in these exhibits.

You can't say you weren't warned Mr. Wolsey.

Best Regards



Donald Stone
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Unit # 9
Jensen Beach, FL. 34957
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cc: Goldman & Sachs
PricewaterhouseCoopers

**LIST OF
EXHIBITS**

- EXHIBIT A** Falsified affidavit Mark Sapperstein, March 31,1998
- EXHIBIT B** Falsified affidavit Gilbert Sapperstein, March 31,1998
- EXHIBIT C** Notes of meeting Sept. 26,1994 between :
- Dale Kelberman - Chief White Collar Crimes, US Attys
Ofc. Baltimore, MD.
- William Howard - MD. Assistant AG.
- Lori Simpson - US Bankruptcy Trustee Program, DOJ
- Mike Beck - MD. Higher Education Commission
- EXHIBIT D** First extortion attempt Oct. 15,1993 Mark,Gilbert Sapperstein, Longo, Procter, Moore, Warfield, Glick.
- EXHIBIT E** Movement of DSII assets to Shippers Choice location Use of Shippers Choice Inc. telephone numbers on DSII checks and co-mingling of DSII assets with Shippers Choice Inc.
- EXHIBIT F** Embezzlement of DSII monies by Longo and Procter, Oct. 29 and Nov. 1, 1993.
- EXHIBIT G** Second extortion attempt by Mark,Gilbert Sapperstein, Longo, Procter and other co-conspirators, jan. 12,1994.
- EXHIBIT H** Goodyear Tire & Rubber meeting using Mark and Gilbert's airplane (Chieftain Investors), DSII check signed by Longo made out to Chieftain.
- EXHIBIT I** Fraudulent DSII stock certificate valued at an estimated \$3,650,000.00 given to Stone, June 1996 by Mark, Gilbert Sapperstein, Longo, Procter, Moore, Warfield, Glick and their attorneys.
- EXHIBIT J** Deposition of Bruff J. Procter lying under oath, Oct. 31,1994 to William Howard, MD. Assitant Atty. Gen. claiming that he never knew there was a Shippers Choice Inc. even though the DSII checks of which Procter was a joint signer with Longo had the Shippers Choice Inc. address and telephone number on them.
- EXHIBIT K** Misc. Doc.-- FBI,DOJ,Newspaper articles, 100 pg. MD AG.

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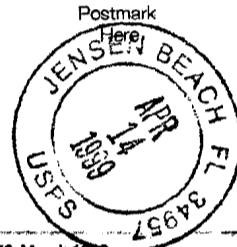
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